

## Message Text

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ACTION AGRE-00

INFO OCT-01 EUR-12 IO-13 ISO-00 EB-08 SP-02 USIA-06  
AID-05 NSC-05 TRSE-00 SS-15 STR-07 OMB-01 CEA-01  
COME-00 L-03 H-01 PA-01 /081 W  
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TO SECSTATE WASHDC 2074  
INFO EC COLLECTIVE  
USMISSION GENEVA

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ALSO USEEC; USMTN

DEPARTMENT PASS AGRICULTURE

E.O. 11652: NA  
TAGS: EAGR ETRD EC NL  
SUBJECT: DUTCH VIEWS ON GRAIN NEGOTIATIONS

1. AGOFFICERS USED OPPORTUNITY OF RECENT VISIT TO MINAG TO DISCUSS AT SOME LENGTH DUTCH VIEWS ON GRAIN NEGOTIATIONS, PARTICULARLY WITH REGARD TO MINIMUM/MAXIMUM PRICES IN AN IWA/IGA AND PROSPECTS FOR SETTLEMENT ON FEED GRAINS. THE DUTCH HAVE SERIOUS RESERVATIONS ABOUT THE WORKABILITY OF A FIXED PRICE-FORK ARRANGEMENT AND ARE, BY AND LARGE, RECEPTIVE TO US ARGUMENTS IN OPPOSITION TO SUCH A SCHEME. HOWEVER, MINAG OFFICIALS DID NOT FEEL THAT THIS FEATURE WAS SOMETHING THAT WOULD EASILY BE DISCARDED BY EC IN THE COURSE OF THE NEGOTIATIONS. THEY FELT THAT COMMUNITY INSISTENVE ON RIGID PRICES WAS TIED VERY CLOSELY TO QUESTION OF ACCESS. THEY SAY THAT US PROPOSAL IN LOW PRICE SITUATION WHICH CALLS FOR INCREASED UTILIZATION AND IMPORTS, IS TOTALLY UNACCEPTABLE TO EC. THEREFORE, THE EC COUNTERS WITH ITS STOCK ACCUMULATION

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PROGRAM AT THE MINIMUM SAFEGUARD PRICE, WHICH THEY KNOW IS EQUALLY UNPALATABLE FOR THE US. IN THIS WAY, DISCUSSIONS ARE DIVERTED TO THE QUESTION OF A FIXED MINIMUM PRICE, RATHER THAN FOCUSING ON THE MORECRUCIAL ISSUE--ACCESS. DUTCH FEEL THAT IF THE HEAT GOES OFF ON ACCESS, EC WOULD ABANDON NOTION OF FIXED PRICES.

2. DISCUSSIONS ON FEEDGRAINS CENTERED MAINLY ON ACCESS, A WORD WHICH APPARENTLY THE DUTCH HAVE SOME DIFFICULTY IN HEARING. FOR THE DUTCH, GRAIN NEGOTIATIONS EQUATE ONLY WITH STABILIZATION, AND NOT TRADE LIBERALIZATION. THEY THINK OF FEEDGRAIN NEGOTIATIONS ONLY IN TERMS OF A FURTHER EXTENSION OF A STABILIZATION SCHEME WHICH THEY EXPECT TO EMERGE FROM WHEAT TALKS. DESPITE THE FACT THAT THE NETHERLANDS IS ONE OF THE WORLD'S LARGEST FEEDGRAIN IMPORTERS/DISTRIBUTORS, DUTCH MINAG OFFICIALS SHOW A MARKED DISINTEREST IN INCREASED ACCESS FOR FEEDGRAINS. THEY POINT OUT THAT EVEN DUTCH GRAIN TRADE IS NOT PUSHING HARDHON FEEDGRAINS BUT IS INTERESTED MAINLY IN PREVENTING EC ACTIONS AGAINST IMPORTS OF NON-GRAIN FEED SUBSTITUTES WHICH HAVE INCREASED DRAMATICALLY IN RECENT YEARS. OUR CONTACTS WITH DUTCH TRADE BY AND LARGE SUPPORT THIS VIEW.

3. WE STRESSED IMPORTANCE USG ATTACHES TO OBTAINING INCREASED MARKET ACCESS FOR FEEDGRAINS. DUTCH OF COURSE ARE WELL AWARE OF THIS BUT ASKED WHY US DID NOT SET FORTH SPECIFIC REQUEST WHICH COULD BE INTERPRETED BY EC AS DIRECT ASSAULT ON CAP. IT IS CLEAR FROM OUR DISCUSSIONS THAT EVENTUAL SOLUTION ON ACCESS COULD COME IN THE FORM OF A MINIMUM PURCHASING COMMITMENT BUT COULD NOT ENTAIL ANYTHING THAT WOULD IMPAIR ABILITY OF VARIABLE LEVY TO SUPPORT INTERNWL PRICES.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GRAINS, NEGOTIATIONS, GOVERNMENT REACTIONS  
**Control Number:** n/a  
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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**TAGS:** EAGR, ETRD, NL, EEC  
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**Type:** TE  
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